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Colorado Restaurant Association: Restrictive Scheduling Bill Would Harm Employees and Crush Restaurant Viability and Growth

FOR IMMEDIATE RELEASE – February 17, 2023

Denver, CO – **The Colorado Restaurant Association** (CRA) remains opposed to and extremely concerned about HB23-1118 (Fair Workweek Employment Standards), which was laid over for action only after a seven-hour hearing in the House Business Affairs & Labor Committee last night. The bill shows a dire misunderstanding of the way the restaurant industry operates and disregards a fundamental pillar of restaurant employment: flexibility. It harms Colorado workers, consumers, and businesses of all sizes.

More than 70 local restaurant representatives – owners, managers, and rank-and-file employees alike -- testified at the February 16 House committee hearing to raise their concerns with the bill, which stands to strip restaurant employees of the flexibility in scheduling they currently enjoy by penalizing employers with extreme accounting and financial burdens for accommodating the schedule changes their teams want and need.

"Our members and their employees are pleading for elected officials to understand the harmful impact this bill will have on their businesses and their lives," said CRA President and CEO Sonia Riggs. "Employees come to restaurants for the very flexibility this bill eliminates, and operators are nowhere near recovered from three years of pandemic-related hardship, debt, and soaring inflation. Now is not the time to add to employees' stress levels by restricting their scheduling flexibility or detract from local operators' razor-thin bottom lines with predictability and retention pay."

Based on a CRA survey of almost 200 local restaurants conducted this week, Colorado restaurants currently post employee schedules an average of nine days in advance; HB 1118, with proposed amendments, would require employees to submit schedule-change requests 14 days in advance and impose harsh financial penalties on employers for any schedules changes once posted. Restaurants estimate that bill compliance will cost an average of $70,000 per year per location.

Should HB1118 become law, 99% of Colorado restaurants anticipate limiting plans for future growth, 97% will increase menu prices to offset compliance costs, and 92% are likely to cut employee hours. 95% of restaurants are likely to stop hiring individuals who need flexibility in scheduling. Full survey results are attached.

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About the Colorado Restaurant Association
The Colorado Restaurant Association (CRA) is dedicated to the enhancement and success of Colorado's foodservice industry. Founded in 1933, the CRA is the leading trade organization for the state's dynamic restaurant community. The CRA represents, educates, and promotes a $14+ billion industry comprised of more than 12,700 eating and drinking establishments and 260,000 workers. corestaurant.org

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HB23-1118 (Fair Workweek Employment Standards)
Restaurant Impact Survey: February 2023

Results compiled from Colorado Restaurant Association survey of 165 operators, conducted week of February 13, 2023

The restaurant industry in Colorado is nowhere near recovered from the effects of the past three years, with business owners currently struggling under the weight of **pandemic-related debt**, historic levels of **inflation**, **supply chain** disruptions, and an on-going **worker shortage**, all of which is hamstringing the industry's hopes of survival. *Restaurant owners do not have funds in reserve to apply to scheduling-mandate compliance and restaurant employees do not want to lose the flexible scheduling that brought them to the industry in the first place.*

Colorado restaurants already post employee schedules well in advance and accommodate employee requests for schedule changes.

- On average, restaurants post employee schedules 9 days in advance.
- More than 98% of restaurants allow employees to trade shifts after schedules are posted.

If HB23-1118 passes, Colorado restaurants will face devastating administrative and financial burdens leading to significant operational changes:

- 99% of respondents report there will be a negative impact on business
- Compliance is estimated to cost restaurants an average of $70,000 per year per location

- 99% are likely to limit plans for future growth or expansion.
- 98% are likely to schedule fewer workers per shift to avoid over staffing.
- 97% of restaurants are likely to increase menu prices.
- 92% are likely to cut employee hours and 85% are likely to cut employee benefits.
- 86% are likely to add equipment/technology that reduces the need for employees.
- 94% are likely to change business models to reduce staffing levels.
- 83% are likely to prohibit shift trading between employees.
- 95% are likely to stop hiring individuals who need flexibility in scheduling (e.g., students, single parents, individuals with second jobs).
- 100% are likely to incur additional costs to comply with record-keeping requirements, and 87% are likely to need to hire a person/people to manage required paperwork.